Globalization

Student’s Name

High School
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Globalization is the process that breaks down all barriers between countries: economical, political and cultural ones. Historically the establishment of agreements and treaties between nations is the oldest way of international relations. Attaining the high world status should be one of the directions of the politics of any country. It is the globalization that can help the state to occupy its place at the international scene. Moreover, globalization is the step forward as it advances the position of the country. The main forces driving globalization are economics, politics, culture and international relations.

The globalization positively affects companies causing the improvement of the quality of products. It means that all countries compete with each other for companies’ products at the world market, and it stimulates them to make qualitative production and services. Selling top-notch products increases the demand for them. The domestic companies should fight for the place at the global market in order to survive as the competition is enormous. Globalization provides the way to increase the employment rate. The companies enter the developing countries and provide employment for their citizens. It gives an opportunity to invest in markets and take the talented specialists there. The developing countries often face capital problem; that is why the citizens of such countries move to another states in search of employment. Global business provides citizens of developing countries with an opportunity to earn more money, but their homelands lose their best and talented people. Well-developed companies attract foreign investment and this helps them to enter the global market.

Globalization affects positively our everyday life. It gives us a wonderful opportunity to buy international products and use international services. We can eat Greek, Italian, Chinese or any other food. We can wear shoes and clothes made abroad. We can exchange the cultural habits and bring new traditions and customs into our culture. Globalization gives a possibility to communicate with people of other nations, learn their languages and develop international relations. Today, people are granted the possibility to rest, study and work abroad.

This is the development of technological innovations that accelerates globalization. Information technology is a leading factor in globalization. These are the Internet, mobile phones, social nets and new gadgets that allow us to be the components of globalization.

Not less important concept for globalization is culture. Culture is an organized system of values, knowledge, beliefs, behaviors that belong to one group of people. It is important to gain cultural literacy in international business environment. Cultural literacy creates a positive image for any country and raises its reputation.

Political and governmental issues should be beneficial to international business because they are the basement for the development of international relations. In today’s world one can not analyze international politics and relations without economic factors as they define whether the country is rich or poor, developed or undeveloped, etc. Development in the poorest countries of Africa and Asia depends on political reforms that have the economic aim to create the supportive international trade. International political cooperation includes also combating environmental threats such as natural disasters, climate changes as they also influence the socio-economic basis of any country. One can not discuss economic and politic state of any country in isolation from other issues, besides, it is necessary to consider the place of every country in the global economic system. The development of new technologies and global commerce has brought all countries closer together. Business and trade are conducted across the globe. Without a doubt, we deal with globalization of international political economy that gives an opportunity to economic, political and cultural exchange between countries.

One can distinguish the following reasons why and how political and governmental issues are beneficial for the international business:

1. High competition.
2. Opening of free labor markets.
3. Exchanging of resources between countries.
4. Political interaction.
5. Collaboration between companies of the different countries.
7. Development of international relations.
8. New opportunities.

Political risk damages international business as all companies want to collaborate with the politically and economically stable countries. Political risk has a negative impact on the company at the global system. It can ruin reputation of the company at the global market.

The USA has many international trade agreements such as:
1. The World Trade Organization Agreement. It benefits the USA as it involves the collaboration of many countries.
2. The Doha agreement. It makes the market strong. This agreement helps to restore trade.
3. The North American Free Trade Agreement. It is more powerful than the World Trade Organization Agreement because it provides multilateral relations.
4. The Dominican Republic-Central America-United States Free Trade Agreement. It is more powerful than the World Trade Organization Agreement because it provides multilateral relations.
5. The Trade and Investment Framework Agreement.

To my mind all these trade agreements are important and effective as they create the common trade space and develop relations between the countries.